

# Committee on Ways and Means

## H.R. 2896, the “American Jobs Creation Act of 2003” *Creating Jobs and Growth*

- The *American Jobs Creation Act* lowers marginal tax rates, reduces double taxation of corporate income and improves deferral of certain corporate income. These types of tax changes are the most effective means for encouraging business expansion including capital investment and job creation.
- Small and medium-sized firms are the engines of economic growth in the U.S. economy. Targeted tax relief for these firms via a reduced corporate tax rate, S corporation reforms and extension of Section 179, will be powerful growth stimulants.
- An 2003 independent analysis by the Heritage Foundation estimates that the provisions contained in the Chairman’s mark will result in 100,000 new jobs in the United States.
- The Heritage Foundation analysis also found that total domestic output (GDP) will increase by \$10 billion by 2007 and \$15 billion by 2013.
- U.S. manufacturing sector faces tough competition from abroad. The reduced tax rate for manufacturing firms will result in increased investment in the United States and increased productivity of American workers.